

Setting the Record Straight on AB 32

The facts on California's plan to reduce greenhouse gases and move toward a clean, green economy

California Governor Arnold Schwarzenegger signed landmark legislation to reduce the state's greenhouse gas emissions in 2006. The Global Warming Solutions Act, or AB 32, will not only protect and preserve California's natural resources but will also grow our economy and promote clean, renewable jobs. But big polluters are waging a highly organized misinformation war against AB 32 to repeal the emissions law.

Here are the facts:

MYTH: "AB 32 will regulate small businesses and cost them \$46,900 a year."

- **FACT: This figure is based on a flawed and discredited study. In fact, AB 32 does not regulate small businesses.**
- **FACT: The Varshney & Associates study that generated the \$46,900 cost to small businesses has been thoroughly discredited by every reputable academic and consultant who has examined them, with descriptions ranging from "the worst examples of shlock science" to "daydreams of disaster."** (*Thornberg and Haveman of Beacon Economics; Dr. F. Ackerman, Tufts University*)
- **FACT: A study by reputable consultants, The Brattle Group, indicated that effects on small businesses will be negligible: the cost of a \$20 meal at one restaurant would increase by three cents, for example.** (http://www.ucsusa.org/assets/documents/global_warming/AB-32-and-CA-small-business-report.pdf)

MYTH: "AB 32 will cost each household thousands of dollars a year."

- **FACT: AB 32 is more likely to save households money. This is another example of flawed conclusions from a discredited study that has been roundly criticized by reputable economists.**
- **FACT: Increased energy efficiency will help California households. In fact, in 2005 because of more energy efficient appliances and improved insulation and other measures, the average monthly residential electricity bill in California was almost half that of Texas and two-thirds the average bill in Florida. Cleaner, more efficient vehicles translate to \$30 dollars a month in savings on fuel.** (http://www.next10.org/pdf/GH/Next10_FullFindings_EN.pdf)

MYTH: "AB 32 is making California less competitive, driving businesses out of state."

- **FACT: California's climate policies are making California a leader in green jobs and investment, drawing investment and new companies into the state.**
- **FACT: California entrepreneurs opened more green businesses (10,209) and created more new jobs (125,390) from 1998 to 2007 than any other state.** (*The Clean Energy Economy, Pew Charitable Trusts*)
- **FACT: While the rest of the economy struggled with job losses of one percent, the clean tech sector surged ahead in 2007-2008 with growth of five percent. The green economy could soon become the nation's fastest-growing job segment, accounting for roughly 10 percent of new jobs over the next 20 years – up to 4.2 million new green jobs – 500,000 in California.** (*Many Shades of Green: Diversity and Distribution of California's Green Jobs, Next 10; Metro Economics: Current and Potential Green Jobs in the U.S. Economy, U.S. Conference of Mayors*)

- **FACT: Three of every five dollars invested in the country's clean technology sector comes to California, five times more than our nearest competitor.** (*CleanTech 2010*
<http://cleantech.com/about/pressreleases/20090106.cfm>)
- **FACT: AB 32 enjoys the strong support of a diverse and formidable alliance of California's economic powerhouses including Google, Gap Inc., eBay, Bloom Energy, E2, Small Business California, Yahoo!, California Business Alliance for a Green Economy, Cleantech, California Ski Industry Association, and much more.** (*California's Global Warming Solution – the Economic Stimulus We Need*)
- **FACT: Even in rural areas with a smaller economic base, green jobs are growing faster than the overall economy.** (*Many Shades of Green: Diversity and Distribution of California's Green Jobs, Next 10*)

MYTH: “We cannot afford untried and untested approaches to changing our economy.”

- **FACT: California has three decades of experience in improving energy efficiency, saving the state billions of dollars and generating hundreds of thousands of jobs.**
- **FACT: The state's energy efficiency policies since the 1970s have saved Californians \$56 billion, and are expected to save another \$23 billion over the next five years – money that is reinvested back into the California economy.** (*Energy Efficiency: California's Highest-Priority Resource, California Public Utilities Commission and California Energy Commission*)
- **FACT: California's forward looking energy efficiency policies created 1.5 million jobs with a total payroll of over \$45 billion.** (*UC Berkeley/Next10 “Energy Efficiency, Innovation, and Job Creation in California”*
http://are.berkeley.edu/~dwrh/CERES_Web/index.html)